

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Gambling Act is amended by changing Sections 7.7 and 22 as follows:

(230 ILCS 10/7.7)

Sec. 7.7. Organization gaming licenses.

(a) The Illinois Gaming Board shall award one organization gaming license to each person or entity having operating control of a racetrack that applies under Section 56 of the Illinois Horse Racing Act of 1975, subject to the application and eligibility requirements of this Section. Within 60 days after the effective date of this amendatory Act of the 101st General Assembly, a person or entity having operating control of a racetrack may submit an application for an organization gaming license. The application shall be made on such forms as provided by the Board and shall contain such information as the Board prescribes, including, but not limited to, the identity of any racetrack at which gaming will be conducted pursuant to an organization gaming license, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. The application shall specify the number of gaming positions the applicant

intends to use and the place where the organization gaming facility will operate. A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

Each applicant shall disclose the identity of every person or entity having a direct or indirect pecuniary interest greater than 1% in any racetrack with respect to which the license is sought. If the disclosed entity is a corporation, the applicant shall disclose the names and addresses of all officers, stockholders, and directors. If the disclosed entity is a limited liability company, the applicant shall disclose the names and addresses of all members and managers. If the disclosed entity is a partnership, the applicant shall disclose the names and addresses of all partners, both general and limited. If the disclosed entity is a trust, the applicant shall disclose the names and addresses of all beneficiaries.

An application shall be filed and considered in accordance with the rules of the Board. Each application for an organization gaming license shall include a nonrefundable application fee of \$250,000. In addition, a nonrefundable fee of \$50,000 shall be paid at the time of filing to defray the costs associated with background investigations conducted by the Board. If the costs of the background investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after a request by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information,

records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of this review or investigation of an applicant for an organization gaming license under this Act shall be privileged and strictly confidential and shall be used only for the purpose of evaluating an applicant for an organization gaming license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

Any applicant or key person, including the applicant's owners, officers, directors (if a corporation), managers and members (if a limited liability company), and partners (if a partnership), for an organization gaming license shall have his or her fingerprints submitted to the Department of State Police in an electronic format that complies with the form and manner for requesting and furnishing criminal history record information as prescribed by the Department of State Police. These fingerprints shall be checked against the Department of State Police and Federal Bureau of Investigation criminal history record databases now and hereafter filed, including, but not limited to, civil, criminal, and latent fingerprint databases. The Department of State Police shall charge applicants a fee for conducting the criminal history records

check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the records check.
The Department of State Police shall furnish, pursuant to positive identification, records of Illinois criminal history to the Department. ~~Each applicant shall submit with his or her application, on forms provided by the Board, a set of his or her fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. This fee shall be paid into the State Police Services Fund.~~

(b) The Board shall determine within 120 days after receiving an application for an organization gaming license whether to grant an organization gaming license to the applicant. If the Board does not make a determination within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination.

The organization gaming licensee shall purchase up to the amount of gaming positions authorized under this Act within 120 days after receiving its organization gaming license. If an organization gaming licensee is prepared to purchase the gaming positions, but is temporarily prohibited from doing so by order of a court of competent jurisdiction or the Board, then the

120-day period is tolled until a resolution is reached.

An organization gaming license shall authorize its holder to conduct gaming under this Act at its racetracks on the same days of the year and hours of the day that owners licenses are allowed to operate under approval of the Board.

An organization gaming license and any renewal of an organization gaming license shall authorize gaming pursuant to this Section for a period of 4 years. The fee for the issuance or renewal of an organization gaming license shall be \$250,000.

All payments by licensees under this subsection (b) shall be deposited into the Rebuild Illinois Projects Fund.

(c) To be eligible to conduct gaming under this Section, a person or entity having operating control of a racetrack must (i) obtain an organization gaming license, (ii) hold an organization license under the Illinois Horse Racing Act of 1975, (iii) hold an inter-track wagering license, (iv) pay an initial fee of \$30,000 per gaming position from organization gaming licensees where gaming is conducted in Cook County and, except as provided in subsection (c-5), \$17,500 for organization gaming licensees where gaming is conducted outside of Cook County before beginning to conduct gaming plus make the reconciliation payment required under subsection (k), (v) conduct live racing in accordance with subsections (e-1), (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act of 1975, (vi) meet the requirements of subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975, (vii) for

organization licensees conducting standardbred race meetings, keep backstretch barns and dormitories open and operational year-round unless a lesser schedule is mutually agreed to by the organization licensee and the horsemen association racing at that organization licensee's race meeting, (viii) for organization licensees conducting thoroughbred race meetings, the organization licensee must maintain accident medical expense liability insurance coverage of \$1,000,000 for jockeys, and (ix) meet all other requirements of this Act that apply to owners licensees.

An organization gaming licensee may enter into a joint venture with a licensed owner to own, manage, conduct, or otherwise operate the organization gaming licensee's organization gaming facilities, unless the organization gaming licensee has a parent company or other affiliated company that is, directly or indirectly, wholly owned by a parent company that is also licensed to conduct organization gaming, casino gaming, or their equivalent in another state.

All payments by licensees under this subsection (c) shall be deposited into the Rebuild Illinois Projects Fund.

(c-5) A person or entity having operating control of a racetrack located in Madison County shall only pay the initial fees specified in subsection (c) for 540 of the gaming positions authorized under the license.

(d) A person or entity is ineligible to receive an organization gaming license if:

(1) the person or entity has been convicted of a felony under the laws of this State, any other state, or the United States, including a conviction under the Racketeer Influenced and Corrupt Organizations Act;

(2) the person or entity has been convicted of any violation of Article 28 of the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person or entity has submitted an application for a license under this Act that contains false information;

(4) the person is a member of the Board;

(5) a person defined in (1), (2), (3), or (4) of this subsection (d) is an officer, director, or managerial employee of the entity;

(6) the person or entity employs a person defined in (1), (2), (3), or (4) of this subsection (d) who participates in the management or operation of gambling operations authorized under this Act; or

(7) a license of the person or entity issued under this Act or a license to own or operate gambling facilities in any other jurisdiction has been revoked.

(e) The Board may approve gaming positions pursuant to an organization gaming license statewide as provided in this Section. The authority to operate gaming positions under this Section shall be allocated as follows: up to 1,200 gaming positions for any organization gaming licensee in Cook County

and up to 900 gaming positions for any organization gaming licensee outside of Cook County.

(f) Each applicant for an organization gaming license shall specify in its application for licensure the number of gaming positions it will operate, up to the applicable limitation set forth in subsection (e) of this Section. Any unreserved gaming positions that are not specified shall be forfeited and retained by the Board. For the purposes of this subsection (f), an organization gaming licensee that did not conduct live racing in 2010 and is located within 3 miles of the Mississippi River may reserve up to 900 positions and shall not be penalized under this Section for not operating those positions until it meets the requirements of subsection (e) of this Section, but such licensee shall not request unreserved gaming positions under this subsection (f) until its 900 positions are all operational.

Thereafter, the Board shall publish the number of unreserved gaming positions and shall accept requests for additional positions from any organization gaming licensee that initially reserved all of the positions that were offered. The Board shall allocate expeditiously the unreserved gaming positions to requesting organization gaming licensees in a manner that maximizes revenue to the State. The Board may allocate any such unused gaming positions pursuant to an open and competitive bidding process, as provided under Section 7.5 of this Act. This process shall continue until all unreserved

gaming positions have been purchased. All positions obtained pursuant to this process and all positions the organization gaming licensee specified it would operate in its application must be in operation within 18 months after they were obtained or the organization gaming licensee forfeits the right to operate those positions, but is not entitled to a refund of any fees paid. The Board may, after holding a public hearing, grant extensions so long as the organization gaming licensee is working in good faith to make the positions operational. The extension may be for a period of 6 months. If, after the period of the extension, the organization gaming licensee has not made the positions operational, then another public hearing must be held by the Board before it may grant another extension.

Unreserved gaming positions retained from and allocated to organization gaming licensees by the Board pursuant to this subsection (f) shall not be allocated to owners licensees under this Act.

For the purpose of this subsection (f), the unreserved gaming positions for each organization gaming licensee shall be the applicable limitation set forth in subsection (e) of this Section, less the number of reserved gaming positions by such organization gaming licensee, and the total unreserved gaming positions shall be the aggregate of the unreserved gaming positions for all organization gaming licensees.

(g) An organization gaming licensee is authorized to conduct the following at a racetrack:

- (1) slot machine gambling;
- (2) video game of chance gambling;
- (3) gambling with electronic gambling games as defined in this Act or defined by the Illinois Gaming Board; and
- (4) table games.

(h) Subject to the approval of the Illinois Gaming Board, an organization gaming licensee may make modification or additions to any existing buildings and structures to comply with the requirements of this Act. The Illinois Gaming Board shall make its decision after consulting with the Illinois Racing Board. In no case, however, shall the Illinois Gaming Board approve any modification or addition that alters the grounds of the organization licensee such that the act of live racing is an ancillary activity to gaming authorized under this Section. Gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i) An organization gaming licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming authorized under this Section. Upon request by an organization gaming licensee and upon a showing of good cause by the

organization gaming licensee, the Board shall extend the period during which the licensee may conduct gaming authorized under this Section at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming authorized under this Section from temporary facilities.

The gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i-5) Under no circumstances shall an organization gaming licensee conduct gaming at any State or county fair.

(j) The Illinois Gaming Board must adopt emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act as necessary to ensure compliance with the provisions of this amendatory Act of the 101st General Assembly concerning the conduct of gaming by an organization gaming licensee. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) Each organization gaming licensee who obtains gaming positions must make a reconciliation payment 3 years after the date the organization gaming licensee begins operating the positions in an amount equal to 75% of the difference between its adjusted gross receipts from gaming authorized under this Section and amounts paid to its purse accounts pursuant to item

(1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 for the 12-month period for which such difference was the largest, minus an amount equal to the initial per position fee paid by the organization gaming licensee. If this calculation results in a negative amount, then the organization gaming licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board.

All payments by licensees under this subsection (k) shall be deposited into the Rebuild Illinois Projects Fund.

(1) As soon as practical after a request is made by the Illinois Gaming Board, to minimize duplicate submissions by the applicant, the Illinois Racing Board must provide information on an applicant for an organization gaming license to the Illinois Gaming Board.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 10/22) (from Ch. 120, par. 2422)

Sec. 22. Criminal history record information. Whenever the Board is authorized or required by law to consider some aspect of criminal history record information for the purpose of carrying out its statutory powers and responsibilities, the Board shall, in the form and manner required by the Department

of State Police and the Federal Bureau of Investigation, cause to be conducted a criminal history record investigation to obtain any information currently or thereafter contained in the files of the Department of State Police or the Federal Bureau of Investigation, including, but not limited to, civil, criminal, and latent fingerprint databases. Each applicant for occupational licensing under Section 9 or key person as defined by the Board in administrative rules shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases, including, but not limited to, civil, criminal, and latent fingerprint databases. The Department of State Police shall charge a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall provide, on the Board's request, information concerning any criminal charges, and their disposition, currently or thereafter filed against any ~~an~~ applicant, key person, for or holder of any ~~an occupational license~~ or for determinations of suitability. Information obtained as a result of an investigation under this Section shall be used in determining eligibility for any ~~an occupational license~~ ~~under Section 9~~. Upon request and payment

of fees in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in State files as is necessary to fulfill the request.

(Source: P.A. 93-418, eff. 1-1-04.)

Section 10. The Sports Wagering Act is amended by changing Section 25-20 and by adding Section 25-107 as follows:

(230 ILCS 45/25-20)

Sec. 25-20. Licenses required.

(a) No person may engage in any activity in connection with sports wagering in this State unless all necessary licenses have been obtained in accordance with this Act and the rules of the Board and the Department. The following licenses shall be issued under this Act:

- (1) master sports wagering license;
- (2) occupational license;
- (3) supplier license;
- (4) management services provider license;
- (5) tier 2 official league data provider license; and
- (6) central system provider license.

No person or entity may engage in a sports wagering operation or activity without first obtaining the appropriate

license.

(b) An applicant for a license issued under this Act shall submit an application to the Board in the form the Board requires. The applicant shall submit fingerprints for a national criminal records check by the Department of State Police and the Federal Bureau of Investigation. The fingerprints shall be furnished by the applicant's owners, officers, and directors (if a corporation), managers and members (if a limited liability company), and partners (if a partnership). The fingerprints shall be accompanied by a signed authorization for the release of information by the Federal Bureau of Investigation. The Board may require additional background checks on licensees when they apply for license renewal, and an applicant convicted of a disqualifying offense shall not be licensed.

(c) Each master sports wagering licensee shall display the license conspicuously in the licensee's place of business or have the license available for inspection by an agent of the Board or a law enforcement agency.

(d) Each holder of an occupational license shall carry the license and have some indicia of licensure prominently displayed on his or her person when present in a gaming facility licensed under this Act at all times, in accordance with the rules of the Board.

(e) Each person licensed under this Act shall give the Board written notice within 30 days after a material change to

information provided in the licensee's application for a license or renewal.

(Source: P.A. 101-31, eff. 6-28-19; revised 9-26-19.)

(230 ILCS 45/25-107 new)

Sec. 25-107. Applicability of the Illinois Gambling Act. Insofar as a provision of the Sports Wagering Act is silent on a provision, the Illinois Gambling Act, and all rules adopted thereunder, shall apply to the Sports Wagering Act. If there is a conflict between the Sports Wagering Act and the Illinois Gambling Act, the Sports Wagering Act shall control.

Section 99. Effective date. This Act takes effect upon becoming law.